

Takeda Research Investment, Inc.

www.tri-takeda.com

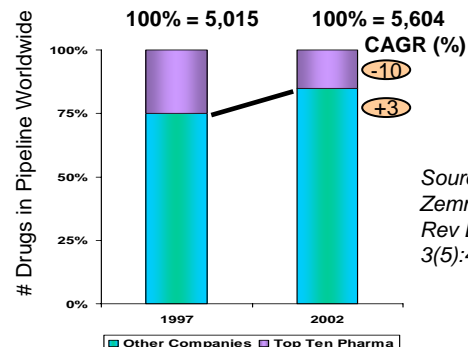


- Operations started April 2002
 - 100% US subsidiary of Takeda
- Palo Alto, CA – “Biotech Bay”
- Enrich Takeda drug discovery and development capabilities
 - Venture Investment
 - Research Alliances / Collaborations
 - Pre-IND Product Licensing
- A stimulus to internal innovation and efficiencies
 - Dual-sourcing to reduce attrition rates
 - Complementing and extending R&D capabilities

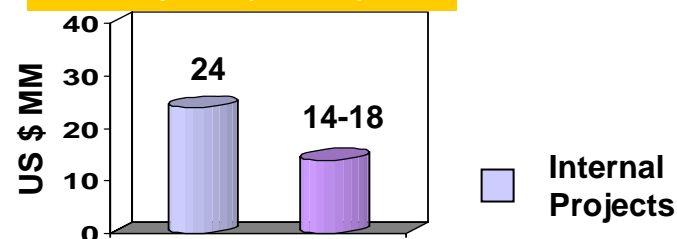


Pharma: Sustaining Pipeline

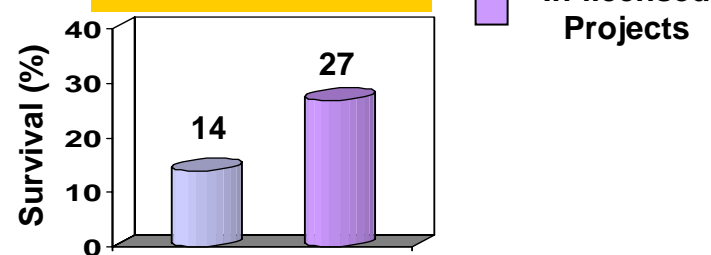
- Pharma internal Discovery cannot meet pipeline demand
 - Resource / cost / time / technology constraints
- R&D productivity - a 30 yr decline
 - Costs; barriers to entry; regulators
- Late-stage licensing strategies are unsustainable
 - Highly competitive; high cost
- Biotech / academia are excellent sources of innovation
 - Focused research; substantial “sunk costs” + know-how



Discovery Cost per Compound



Overall Clinical Survival

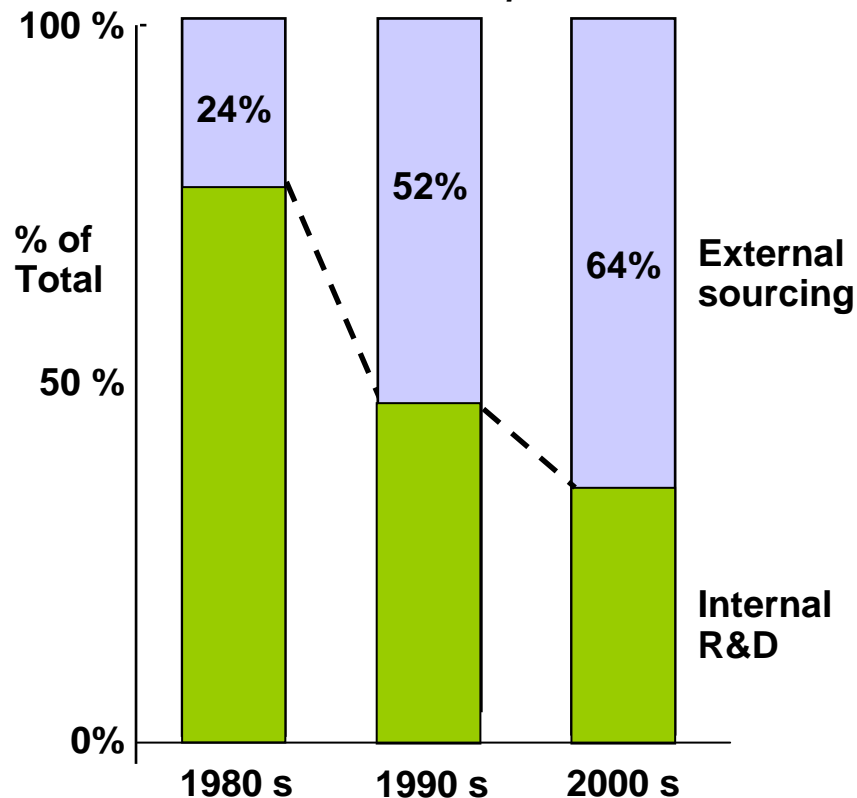


Source: Nature Reviews Drug Discovery May, 2004

Pharma: Enhancing Innovation

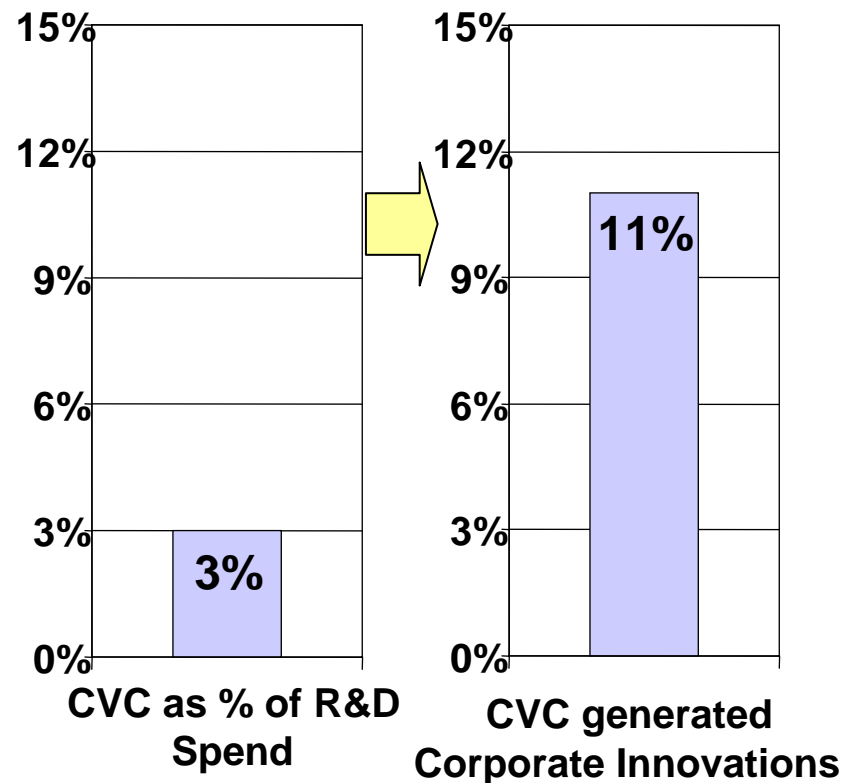
US corporations increasingly obtain innovation from external sources

Source: Monitor Group



Corporate Venturing is an efficient source of corporate innovation

Source: Harvard Patent Study



TRI Investment Parameters

Committed Capital:	\$100 million
Investment Size:	\$0.5 → \$3 million (co-invest)
Investment Stage:	Seed → Mid-Stage
General Criteria:	Innovative target, product, technology concepts; Proven management; Solid IP
Sector Preference:	Takeda focus areas; industry and academia
Geographic Preference:	USA; Canada; Europe
ROI:	Strategic (not \$\$\$)



Investment Portfolio 2007



CA, USA (Seed + Series A): Oncology focused, product-oriented, novel targets, biotherapeutics



CA, USA (Seed + Series B): Neurodegeneration focused, product-oriented, validated targets



Cambridge, UK (Seed + Series A): Enabling platform for proteomics-based ion channel screening, novel small molecule modulators with improved selectivity



NC, USA (Series B-1 + Series C + Series D): Enabling platform, product-oriented, novel oncology targets, small molecules



Copenhagen, Denmark (Series E): Polyclonal antibodies discovery and development



Vancouver, Canada (Series E): Clinical genetics-based drug R&D, novel targets for CNS and CVS diseases



Melbourne, Australia (Seed + IPO): Human antibody development with emphasis on IgM antibodies for cancer



Cambridge, UK (Series A): Unique “hub and spoke” model with multiple exclusive agreements with leading researchers focused on epigenetics and mechanisms that determine cell fate.



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